

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (6/10)
BUTTER: Grade AA closed at \$1.4375. The weekly average for Grade AA is \$1.4392 (+.0042).

CHEESE: Barrels closed at \$1.4175 and blocks at \$1.4675. The weekly average for barrels is \$1.4555 (+.0092) and blocks, \$1.4980 (+.0055).

BUTTER: The butter market tone is unsettled as the cash butter price continues to bounce higher and lower, although the adjustments are within a narrow range. Many producers and handlers feel that these types of adjustments will continue. Churning activity is seasonally strong as cream supplies remain readily available to butter operations across the country. Some butter producers stated that cream offerings were not as abundant early in the week, but again were heavier at week's end. Production continues to surpass demand thus surplus bulk and packaged butter is clearing to inventory. Demand is lackluster, occasionally stimulated by retail "June Dairy Month" feature activity. Food service orders are seasonally good as the summer vacation season develops.

CHEESE: The cheese market is unsettled to weak. Cash prices are declining from the peak in the 5th price cycle already in 2005. Cheese production is seasonally heavy with large milk volumes moving considerable distances to find manufacturing capacity. Current spot offerings of cheddar and natural American are limited. Mozzarella interest is weak and discounting is needed to clear inventory. Some extra is also being frozen. Process movement is fairly good. U.S. estimated April cheddar production totaled 265.7 million pounds, up 1.7 million pounds (0.6%) compared to last April. Cumulative cheddar production is 1.033 billion pounds for the first 4 months, up 11.8 million pounds (1.2% unadjusted for Feb. 29, 2004) from the same period a year ago. Mozzarella output during April totals 248.8 million pounds, down 1.9 million pounds (-0.8%) from a year ago. Cumulative mozzarella output in 2005 totals 1.009 billion pounds, up 4 million pounds (0.4% unadjusted) from last year.

FLUID MILK: Milk supplies remain plentiful across the country with surplus milk supplies moving to local and out of area balancing plants. Schools on traditional schedules have mostly recessed for the summer and declines in bottled milk orders are widespread. Milk output is steady in the Northeast but declining from the peak in the Southeast. Florida production is moving lower and less milk is moving out of state. However, total shipments out of the Southeast are at high levels. Milk supplies are heavy in the Upper Midwest and plants are actively processing the additional milk. Milk is being discounted and moving distances to find homes in what has been called a more historic spring flush. Milk output in the Southwest and within states is sometimes mixed. Growth is still occurring in parts of eastern New Mexico and northern California. Steady to lower trends are noted in Arizona and the rest of California. Plants are running on extended schedules to process milk. Milk is steady to moving lower across the Northwest. A plant strike is not affecting milk shipments in the region. The plant is still operating. Cold, winter like weather in Utah and Idaho is causing declines in milk and concerns over the cropping and hay harvesting.

DRY PRODUCTS: Nonfat dry milk prices were lowered in several regions as a couple of pricing indexes declined last week. These are basing points for some producers and information for other sellers as to where they need to be. Drying remains active to process the milk supplies across the U.S. Export volumes have slowed, but domestic interest is good. Sales to cheese accounts are mixed. Dry buttermilk prices are steady to lower. Producers have lowered prices to move surpluses and some product has been exported at the lower prices. Condensed solids are available and having to be dried. Dry whey prices are steady in the Central and Eastern regions, slightly higher in the West. Exporting from the West is still common and producers are asking for and receiving higher prices despite some resistance. Lactose prices are slightly higher as the market tone firms. Spot trading is light with most activity centered on contracts. Whey protein concentrate supplies remain on the tight side and buyers look at higher protein powders and other alternatives.

CCC: During the week of June 6 - 10, there was no price support activity.

APRIL DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 115.5 million pounds in April, 15.1% above April 2004 but 5.5% below March 2005. American type cheese production totaled 331.4 million pounds, 1.9% above April 2004 but 0.1% below March 2005. Total cheese output (excluding cottage cheese) was 763.9 million pounds, 0.4% above April 2004 but 4.4% below March 2005. Nonfat dry milk production, for human food, totaled 108.8 million pounds, 18.8% below April 2004 and 0.2% below March 2005. Dry whey production, for human food, was 83.7 million pounds, 1.0% below April 2004 but 0.4% above March 2005. Ice cream (hard) production totaled 77.7 million gallons, 1.1% above April 2004 but 0.7% below March 2005.

APRIL FLUID MILK SALES (AMS): During April, about 4.5 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.1% higher than April 2004. After adjusting for calendar composition, sales in April 2005 were 0.1% lower than April 2004. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from April 2004, while sales of whole milk, flavored whole milk, and buttermilk decreased from a year earlier. It is likely that the timing of the Easter holiday this year has had a positive impact on the change in sales from April 2005 compared to April 2004.

MARCH MAILBOX MILK PRICES (AMS, CDFA): In March 2005, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$15.46 per cwt., \$.22 more than the figure for the previous month. The component tests of producer milk in March 2005 were: butterfat, 3.70%; protein, 3.04%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased in all reporting areas except three, and ranged from \$17.69 in Florida to \$13.61 in New Mexico. In March 2004, the Federal milk order all-area average mailbox price was \$15.33, \$.13 lower.

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**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

PRODUCT	MONDAY JUNE 6	TUESDAY JUNE 7	WEDNESDAY JUNE 8	THURSDAY JUNE 9	FRIDAY JUNE 10	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4700 (N.C.)	\$1.4800 (+.0100)	\$1.4800 (N.C.)	\$1.4300 (-.0500)	\$1.4175 (-.0125)	(-.0525)	\$1.4555 (+.0092)
40# BLOCKS	\$1.5150 (+.0050)	\$1.5200 (+.0050)	\$1.5200 (N.C.)	\$1.4675 (-.0525)	\$1.4675 (N.C.)	(-.0425)	\$1.4980 (+.0055)
BUTTER GRADE AA	\$1.4425 (-.0075)	----	\$1.4375 (-.0050)	----	\$1.4375 (N.C.)	(-.0125)	\$1.4392 (+.0042)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USD.A.GOV/MARKETNEWS.HTM NOTE: CME NDM on Page 2.

CHICAGO MERCANTILE EXCHANGE

MONDAY, JUNE 6, 2005

CHEESE — SALES: 1 CAR BARRELS @ \$1.4700; BIDS UNFILLED: 1 CAR BARRELS @ \$1.4600; 7 CARS 40# BLOCKS: 3 @ \$1.5150, 1 @ \$1.5125, 3 @ \$1.5100; OFFERS UNCOVERED: NONE

BUTTER — SALES: 10 CARS GRADE AA: 1 @ \$1.4500, 1 @ \$1.4525, 2 @ \$1.4550, 1 @ \$1.4525, 1 @ \$1.4500, 1 @ \$1.4475, 1 @ \$1.4450, 1 @ \$1.4475, 1 @ \$1.4500; BIDS UNFILLED: 7 CARS GRADE AA: 1 @ \$1.4400, 5 @ \$1.4325, 1 @ \$1.4300; OFFERS UNCOVERED: 15 CARS GRADE AA: 1 @ \$1.4425, 1 @ \$1.4600, 2 @ \$1.4800, 2 @ \$1.4900, 7 @ \$1.5000, 2 @ \$1.5100

TUESDAY, JUNE 7, 2005

CHEESE — SALES: 3 CARS BARRELS: 2 @ \$1.4700, 1 @ \$1.4800; 19 CARS 40# BLOCKS: 4 @ \$1.5150, 5 @ \$1.5175, 10 @ \$1.5200; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.4750, 1 @ \$1.4600; 12 CARS 40# BLOCKS: 4 @ \$1.5200, 5 @ \$1.5175, 3 @ \$1.5150; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.4900; 2 CARS 40# BLOCKS @ \$1.5500

WEDNESDAY, JUNE 8, 2005

CHEESE — SALES: 6 CARS 40# BLOCKS @ \$1.5200; BIDS UNFILLED: 2 CARS 40# BLOCKS @ \$1.5200; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.4900

BUTTER — SALES: 5 CARS GRADE AA: 2 @ \$1.4425, 2 @ \$1.4400, 1 @ \$1.4375; BIDS UNFILLED: 10 CARS GRADE AA: 2 @ \$1.4375, 2 @ \$1.4350, 2 @ \$1.4300, 3 @ \$1.4200, 1 @ \$1.4150; OFFERS UNCOVERED: 8 CARS GRADE AA: 3 @ \$1.4600, 3 @ \$1.4700, 1 @ \$1.4900, 1 @ \$1.5000

THURSDAY, JUNE 9, 2005

CHEESE — SALES: 6 CARS 40# BLOCKS: 1 @ \$1.4800, 1 @ \$1.4750, 3 @ \$1.4700, 1 @ \$1.4675; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.4300, 1 @ \$1.4800; 3 CARS 40# BLOCKS: 1 @ \$1.4900, 1 @ \$1.5150, 1 @ \$1.5200

FRIDAY, JUNE 10, 2005

CHEESE — SALES: NONE; BIDS UNFILLED: 4 CARS 40# BLOCKS @ \$1.4675; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.4175, 1 @ \$1.4200

BUTTER — SALES: 19 CARS GRADE AA: 2 @ \$1.4300, 1 @ \$1.4250, 3 @ \$1.4275, 2 @ \$1.4300, 3 @ \$1.4275, 1 @ \$1.4300, 1 @ \$1.4275, 1 @ \$1.4300, 1 @ \$1.4275, 1 @ \$1.4325, 2 @ \$1.4350, 1 @ \$1.4375; BIDS UNFILLED: 6 CARS GRADE AA: 1 @ \$1.4300, 1 @ \$1.4275, 1 @ \$1.4250, 2 @ \$1.4200, 1 @ \$1.4100; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ \$1.4450, 1 @ \$1.4475, 1 @ \$1.4500

CME CASH NONFAT DRY MILK: Extra Grade closed the week at \$0.9625 and Grade A at \$0.9825. (The last price change occurred March 30.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9825 (N.C.).

BUTTER MARKETS**APRIL BUTTER PRODUCTION**

During April 2005, butter production in the United States totaled 115.5 million pounds, 15.1% more than April 2004 but 5.5% less than March 2005. The following are April to April changes for various states: CA +4.8%, NY -18.4%, PA +1.1% and WI +70.6%.

NORTHEAST

The CME cash price for butter continues to bounce higher and lower. During trading last week, the price increased 4 cents, but lost three-quarters of a cent during Monday's (6/6) trading. The heavier production figures in the April Dairy Products report may have dampened some of the strength seen last week. Churning activity remains heavy and producers are building inventories of packaged and bulk butter. Demand for butter is lackluster at this time, but some improvement in food service orders are expected as we get further into the summer vacation season. Excess cream volumes may not be as heavy as they were over the Memorial Day weekend, but volumes are keeping local and out-of-region churns full. Retail sales are unchanged at slow to fair levels, but June Dairy Month features are beginning and may help sales. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

CENTRAL

The butter market tone remains unsettled with the cash price fluctuating higher and lower within a narrow range. Many producers and handlers feel that these types of adjustments will continue within the \$1.40 - 1.45 range. Churning schedules continue to be seasonally strong as cream supplies remain readily available to butter producers, although some indicate that outside offerings are not as abundant as they have been in recent weeks. Current churning schedules continue to surpass demand thus surplus is clearing to the warehouse. Butter

demand is fair at best. Buyers have returned to the market following the recent holiday, although some orders are being placed for short term or immediate needs only. Buyers indicate that as long as prices remain fairly steady at current levels, they would rather place orders more frequently versus carry the inventory and incur storage costs. Some "June Dairy Month" feature activities are reported to be occurring or are scheduled to occur at retail during the month which include butter. Food service orders are seasonally steady. Bulk butter for spot sale is being reported in the flat - 2 cents per pound over various pricing basis.

WEST

Prices for butter at the CME have been in the low \$1.40's for the last 11 trading sessions. There has been movement both up and down, but prices have stayed in a narrow range. Trading activity has been on the heavy side with 60 loads of butter sold in the last four trading sessions at the CME. Numerous offers and bids have also been left on the board. Commercial domestic sales of butter are being called fair at best so some contacts are a bit surprised to see all the trading activity on the CME. Stocks of butter are more than adequate for any current buyer interest. Cream offerings to the churns are lower this week than has been noted for quite a while. This is not to say that churns are not still busy. The ice cream trade is taking some additional cream and there is not as much standardized milk moving into the school systems which had been freeing up cream. April butter output for the U.S. totals 115.5 million pounds, up 15.1% (15.1 million pounds) from last year. Production declined by 6.7 million pounds from March. Butter output in this time period has not declined since 2000. April output for the Western region was 49.1 million pounds, up 12.2% from a year earlier. The West produced more than 42% of the butter in the U.S. in April. Weekly CME butter stocks grew by 1.5 million pounds last week to stand at 103.6 million pounds. Bulk butter prices range from flat to 3 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES**U.S. AVERAGES AND TOTAL POUNDS**

<u>WEEK ENDING</u>	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE BARRELS			
JUNE 4	1.4705	1.4638	0.9347	1.4099	0.2663
	9,328,601	9,573,118	18,791,438	3,365,360	9,683,117

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

The up and down price trend at the CME continues. Last week the 40# block price topped \$1.50 for the fourth time this year. How long it stays here is anyone's guess. Cheese production in the Northeast remains quite heavy as surplus milk volumes seem to be holding at levels not seen for many years. However, some cheese plants continue to limit milk intakes and one operation is having problems, which limits their ability to make cheese. According to last week's *Dairy Products* report, cheddar cheese production in the Atlantic region during April totaled 14.7 million pounds, up 4.5% from April 2004 and 29.2% above March 2005. Retail sales are mostly steady at slow to fair levels and food service orders are picking up along seasonal patterns. However, June Dairy Month promotions are underway and may help retail demand.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.5725-2.0875
Cheddar Single Daisies	:	1.5300-2.0050
Cheddar 40# Block	:	1.6350-1.9025
Process 5# Loaf	:	1.6575-1.8650
Process 5# Sliced	:	1.6775-1.8925
Muenster	:	1.6450-1.8475
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is firm. Natural American supplies remain fairly close to in balance despite heavy milk volumes available for manufacturing. The occasional extra load or two are readily absorbed, mostly by regular accounts. Lead times remain steady at regular levels on cheddar and its "close cousins". Process interest is steady to occasionally improved at moderate to occasionally good levels. Some shred lines are slower though sliced natural remains strong. Demand is strong for barrels and good processing solids. Mozzarella interest is seasonally soft with discounts used to help clear surplus volumes. Recent warmer temperatures and humidity should start to reduce milk receipts from annual peak levels. Plant capacity has been challenged at many plants. Many operators have noticed fat tests on incoming milk supplies declined sooner than normal, causing lower cheese yields.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6475-1.9300
Brick And/Or Muenster 5#	:	1.9400-2.0425
Cheddar 40# Block	:	1.7900-2.2650
Monterey Jack 10#	:	1.9900-2.2650
Blue 5#	:	2.3375-2.6500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6700-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.3800-2.8900

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER : CHEESE	
06/06/05	53,179	: 147,000
06/01/05	52,834	: 147,005
CHANGE	345	: -5
% CHANGE	1	: N.C.

WEST

Block cheese prices at the CME have increased 7 cents over the last ten trading sessions. Trading activity at the CME has been lighter than last week. Demand for all types of cheese has improved this week. Buyers continue to search for current blocks and purchase anything that they find. Processing solids and barrels are moving much better than a few weeks ago. Swiss is in good shape. Mozzarella continues to be on the slow side with offers going unmet and cheese entering the freezer. More cheddar cheese from storage in the West is being sent to the Central region. Production of cheese remains heavy, but it is down from the peak levels of last week with the holiday milk. Total cheese production in April reached 763.9 million pounds, up 0.4% from last year (2.9 million pounds). Cumulative output for the first four months of the year totals 3.025 billion pounds, up 1.2% (35.1 million pounds). Output in April for the Western region totals 325.8 million pounds, up 5.5% (16.9 million pounds) from April 2004. The West produced 43% of total U.S. cheese output in April. April Swiss cheese production in the U.S. totals 23.5 million pounds, down 3.8% from last year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.5975-1.8550
Cheddar 40# Block	:	1.6125-1.9650
Cheddar 10# Cuts	:	1.7925-2.0125
Monterey Jack 10#	:	1.8025-1.9625
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

FOREIGN

Prices are unchanged to higher and the market tone is unchanged. Cheese stocks are adequate to meet current needs. Reports from the EU indicate that cheese output in the EU-15 during January and February increased 3.0% from the same period last year. Further, cheese output in the EU-25 increased 12,000 MT from the first two months of 2004.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-4.6900	: 1.8850-3.3750*
Gorgonzola	: 3.6900-5.9400	: 2.3975-2.4900*
Parmesan (Italy)	: TFEWR	: 3.3025-3.4075*
Romano (Italy)	: 2.1000-3.1500	: -0-
Provolone (Italy)	: 3.4400-6.0900	: 1.8875-2.1225*
Romano (Cows Milk)	: -0-	: 3.0825-5.2475*
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 3.1200-4.1500	: -0-
Swiss Cuts Switzerland	: -0-	: 2.4500-2.6500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.5600	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	225	0	232	0	207
SOUTHEAST STATES	0	80	0	53	0	0

Milk production is holding relatively steady in the Northeast while falling from peak levels in the Southeast. Hot weather is having more of an impact on the milk flow in Florida and other Gulf Coast states. Last week's rainy weather in Florida did help keep the milk flow from dropping at a more rapid pace. Farther north, last week's cool weather in New England and New York has been replaced with summer-like weather, but the day-time heat has not yet had an impact on the cows and milk production. Fluid milk supplies remain burdensome throughout the region and manufacturing plants continue to operate at capacity or near capacity levels. Some scattered plant break downs have been noted, which caused delays. It seems that the number of tankers waiting to unload at plants is down this week, but contacts say that they are not "out of the woods yet." Class I demand is slowing as most schools are now on summer recess. Some New York and New England schools are still in session, but most are in their last week or two of the school-year. The condensed skim market is little changed, but improved production of ice cream mix and soft serve mix did use more wet solids. The fluid cream market is improving, but supplies are still more than ample. Spot prices are generally higher due to the two-cent increase in last week's CME butter average. Multiples have increased slightly and are mostly higher within the range. Demand is improving. The warmer weather seems to have turned on ice cream production. Contacts report that ice cream makers have ordered extra loads this week, but are still unwilling to pay higher multiples. Suppliers have had to make logistical (sourcing, trucking, etc.) changes to fill this renewed demand. The summer-like weather gave a big boost to soft serve sales over the weekend. However, the first spell of hot weather is, at times, causing temperature and quality issues and there have been reports of cream loads being rejected at the buyers' plants. Cream cheese production is up slightly as one supplier commented that a producer increased their cream orders this week. Contacts have reported for the past month or two that cream cheese output is lagging expectations. The most recent *Dairy Product* report pegs April Cream & Neufachatel (basically a low-fat cream cheese) production at 47.3 million pounds, 20.8 % less than a year ago and 20.7% less than March 2005. Either, producers had enough on hand to cover Easter and Passover needs, or they did not have the orders to require higher output. Bottled cream output is starting to pick up along seasonal patterns. Churning activity remains heavy, but fewer excess loads of cream are being shipped to the Midwest.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.7220-1.8942
DELIVERED EQUIVALENT ATLANTA	-	1.7364-1.8942 M 1.7794-1.8368
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7369-1.8799

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .9400-1.0200
NORTHEAST- CLASS III - SPOT PRICES	- 1.1000-1.1700

M I D W E S T

Class I demand is very slow as most remaining schools close for the summer. For one bottler in the region, mid-June is typically the slowest fluid sales period of the year. Class II milk and condensed skim use is generally strong. Manufacturing milk supplies remain burdensome with extra manufacturing capacity very limited. For most handlers, it brings back memories of traditional spring flushes. For plants in the upper part of the region, little reserve capacity is available in case of a multi-hour mid to large plant problem. Stories of lengthy unloading delays or problems with trucks/truckers continue to circulate from some parts of the region. Reported spot manufacturing milk prices range from -\$2.50 below class delivered, to around flat class/multiple components delivered, with most reports still under \$-1.00. Milk originating in other states continues to move into upper Midwest plants to find a home. Some operators' feel that the annual peak in milk receipts may have been reached in the upper tier of states while others need time for a few more days' intake numbers to ensure it has passed. Recent higher temperatures and humidity, including some 90's even in the upper tier of states, has not lowered current plant

intakes appreciably. Ice cream and mix production is active with cream multiples starting to firm as supplies tighten. With bottlers on lighter schedules, less standardized cream is being generated. Ice cream schedules are steady to heavier where plants have been able to secure additional help to run extra lines. Component tests on incoming milk volumes are often lower seasonally, also generating less cream. Some locations continue to suffer from too much rain while others experience very dry conditions to the point of potential crop yield losses. The weather has stimulated corn growth with some cultivation already occurring in southern parts of Wisconsin.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 2 - 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 55.00- 63.00	\$ 52.50- 59.00
REPLACEMENT HEIFER CALVES	\$440.00-750.00	\$300.00-600.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 2 - 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 52.00- 65.00	\$ 52.00- 62.50

W E S T

CALIFORNIA milk output varies across the state. In the south, production is holding steady as moderate conditions are common. The Central Valley is seeing slight declines in milk intakes. Milder temperatures are common but cows are being impacted by time in milk and some fly issues. Output in the north is building seasonally. Conditions there are moderate. Overall, fluid milk needs are lower in the state and less bottling is occurring. Hay harvest continues. The quality is often less than desirable because of intermittent rains delaying drying and affecting maturity. Milk production in ARIZONA is holding steady after conditions have cooled from a couple of weeks ago. Daytime highs are below normal in the 90's, nighttime lows are in the 60's to 70's and the humidity level is low. The stress level on the milk cows has declined. Some processors are bottling additional retail units of fluid milk with milk prices lower, but the loss of school accounts is keeping the total fluid movements lower. Conditions are favorable for milk growth in NEW MEXICO. Areas in the eastern section are still seeing milk output increases and are moving higher towards peak levels. Some areas in the south have likely seen the peak for this year. More milk is being shipped out of state to find processing capacity. Fluid milk needs and orders are slower. Some plant problems are compounding the problem. The second cutting of alfalfa has begun and prices are firming. The CREAM market in the West is slightly firmer. The supply side is being affected by seasonally lower milk supplies, lower fat tests, and less fat from standardization at bottling facilities as school milk needs erode. Demand is fair to occasionally good from ice cream producers. Higher demand is expected. Cream is entering the churns and butter is being produced. The CME butter price was \$1.4375 on Wednesday, June 8, 1.75 cents higher than a week earlier. Cream multiples and overages are being bid higher to secure extra loads. Multiples range from 112 to 130 FOB, and vary depending on basing points and class usage. Milk output in the PACIFIC NORTHWEST ranges from flat to down slightly. Producers wonder if some good quality first cutting dairy hay will add a bit of milk to the bulk tank or is it too late in the cycle. There is finally some dairy hay showing up, but it is expensive. Some premium quality is delivering into the region at \$155-160, definitely higher than last year. So far, quantities are limited. Grass silage that has been put up is not top quality. Most growers had to wait for the rain to end and the grass is past the prime on age. Conditions are cool with continued scattered showers possible. The monthly heifer sale in the region saw numbers on the light side, coming in at less than half the volume of one year ago. The Canadian border issue is thought to be one of the factors involved. Prices are steady to firm on Supreme springing heifers ranging from \$2150-2550. Plants have been able to work through the heavy volumes of milk from last week, but it did take longer than anticipated. A strike at a major cheese plant in the region is not disrupting where milk is being processed at this point in time. The strike started early last week and another bargaining session is scheduled for Friday. Weather conditions are bad enough in UTAH and IDAHO that it is beginning to impact milk receipts. It has been cold with scattered frost noted in the mornings along with almost daily rains. Up to 8 inches of snow was reported at some of the ski areas and the Cache Valley recorded 1 inch. These conditions are not conducive to milk production, crop growth, or hay harvesting. Some contacts are also reporting that trucks are hard to find for both dry and refrigerated products. Little new crop hay is showing up yet and this is later than anticipated. Heifer prices at a major weekly sale averaged about \$2150. This is a bit lower than the past few weeks.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged to lower on a steady to firm market. Production remains steady compared to the week prior yet heavier than last year due to increased milk supplies available. Producers are confidently holding supplies for later use in the year as milk production is expected to dwindle during the hot summer. High heat NDM stocks are limited for the good interest. Multiple loads of low heat NDM are reportedly available from the West and being offered into some brokerage operations. Trade activity is generally light with most movement reported on contracts.

EAST: Prices range from unchanged to lower as the weekly NASS price (the basis for a large percentage of NDM sales) survey reflected approximately a one-cent drop. The market tone is firm despite the continued heavy production. More reports indicate that heavy drying will likely continue through June and most producers are planning on that. Surplus milk supplies are in a little better shape this week, but reports indicate delays at unloading bays and some overnight holds in the tankers because plant silos were full. Plant stocks are growing, but most of the output is already committed so there is relatively little available for spot sales. Demand for NDM is fair to good. **DAIRY PRODUCTS:** Production of human food, nonfat dry milk during April 2005 totaled 108.8 million pounds, down 18.8% from April 2004 and 0.2% below March 2005. Month ending stocks, at 108.1 million pounds, are 3.7% above a year ago and 28.6% above last month. (Editor's Note: NASS does not record skim milk powder (SMP) in their reporting of NDM)

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .9400 - 1.0100 MOSTLY: .9800 - .9900
HIGHHEAT: .9750 - 1.0950

NONFAT DRY MILK - WEST

Western low/medium heat NDM prices are lower. Buying interest was higher as buyers took advantage of declines in two pricing indexes to secure loads. The sense is that both indexes will rebound and trend higher in coming weeks. Fuel surcharges continue to impact shipping costs of NDM and other dairy products. Exporting is fair with producers stating confidence with their plans. Production remains seasonally strong to process milk. Demand from cheese producers is mixed. Some are taking contract loads for fortification/standardization, others are holding back. This often depends on the variety being made. High heat prices are mostly steady, but supplies have tightened in recent weeks. Buyers have shown more interest as supplies have declined and have not been able to be replenished with heavy processing schedules. Production should increase as producers make arrangements to produce supplies. Current high heat stocks are light. U.S. NDM production in April totaled 108.8 million pounds, 18.8% lower than last year and fractionally lower than last month. April production in the Western region totaled 67.2 million pounds, down 33.6% from last year. California produced 38.6 million pounds, down 41.5% from April 2004. U.S. manufacturers' stocks at the end of April were reported at 108.1 million pounds, 3.7% more than last year and 28.6% higher than last month. [Editor's note: NDM statistics may not include skim milk powder (SMP).]

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUMHEAT: .9000 - .9700 MOSTLY: .9325 - .9450
HIGHHEAT: .9500 - .9800

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
June 3	\$.9099	7,038,673	0
May 27	\$.9003	11,300,188	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged and nominal on a steady to weak market. Offerings are noted below the average for the light interest. Production is steady to higher and stocks are building at some locations. Producers are generally not aggressively marketing dry buttermilk supplies with some operations holding supplies for future contractual use. Some brokers report that at the right price, excess stocks likely could move into export markets. Spot trade activity is very light. Production of dry buttermilk during April 2005 totaled 5.4 million pounds, 4.8% more than April 2004 but 6.6% above March 2005. Month ending stocks, at 8.8 million pounds, are 102.1% above a year ago and 58.8% higher than March 2005.

F.O.B. CENTRAL: .9600 - 1.0100

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower and the market tone is a bit weaker. The Northeast prices remain nominal. Production levels are moderate to heavy, but still limited by the burdensome volumes of skim that need to be dried. Plant stocks are growing and lower prices are being offered to stimulate interest. Demand for dry buttermilk is steady. Dry buttermilk production during April 2005 totaled 5.4 million pounds, up 4.8% from last April but 6.6% less than March 2005. Month ending stocks, at 8.8 million pounds, are double last year and 58.8% more than a month ago.

F.O.B. NORTHEAST: .9000 - .9500
DELVDSOUTHEAST: .9300 - 1.0000

DRY BUTTERMILK - WEST

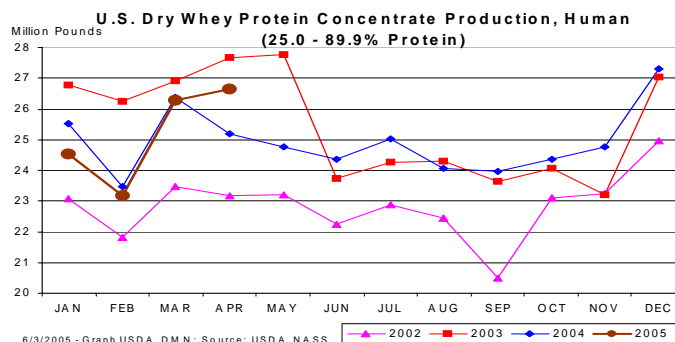
Western dry buttermilk prices and the market tone are steady. Recent export shipments were made to help balance inventories at several producer locations. Once cleared, some prices were increased. Domestic demand is slow and not developing seasonally from the ice cream producers. Drying schedules have been higher than expected and compete with NDM for drying time. Sales of condensed buttermilk are increasing slightly. Stock levels are trending lower. U.S. dry buttermilk production in April totaled 5.4 million pounds, up 4.8% from last year but 6.6% lower than March. Stocks at the end of April were 8.8 million pounds, double levels of last year and 58.8% more than last month.

F.O.B. WEST: .9000 - .9600 MOSTLY: .9000 - .9100

DRY WHOLE MILK - NATIONAL

Prices are often lower as producers adjust powder prices to reflect the April Class IV milk price. The market tone is unchanged. Prices remain nominal. Production levels are light. Most drying facilities are full of milk and dryer time is taken up with skim. Plant stocks are balanced. Dry whole milk production during April 2005 totaled 3.9 million pounds, down 26.2% from last April but 47.2% more than March 2005.

F.O.B. PRODUCING PLANT: 1.2400 - 1.3800



WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged to slightly higher on a steady market. Trade activity is very light with some prices trending higher with price shifts in the West. Buyers are generally content in receiving contractual supplies with some extra loads reportedly available for addition onto contracts. Offers of U.S. whey are noted to Canadian traders for the light interest. Whey demand from Asia is reduced compared to the week prior. Production is steady with most plants running full. Off grade supplies are tight. Condensed whey is readily available for the light feed interest. Production of HUMAN FOOD, dry whey during April 2005 totaled 83.7 million pounds, 1.0% less than April 2004 but 0.4% below March 2005. Month ending stocks, at 36.6 million pounds, are 2.6% below a year ago but 5.9% more than March 2005. Production of ANIMAL FEED, dry whey during April 2005 totaled 6.8 million pounds, 7.7% less than April 2004 and 17.5% below March 2005. Month ending stocks, at 3.2 million pounds, are 28.0% lower than a year ago and 30.4% less than March 2005.

F.O.B. CENTRAL: .2575 - .2700 MOSTLY: .2575 - .2675
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2425 - .2475

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Northeast prices remain nominal. Demand is mostly steady at generally unaggressive levels. Some buyers are showing more interest as they use up inventories and/or come to the realization that dry whey prices are probably not going to decline in the near future. Production levels are moderate to occasionally lower. The warmer weather is causing some drying problems. In other instances, equipment issues are causing output declines. Producers have little or no product to offer on the spot market and some are cutting or have cut contract deliveries to correspond with production projections. Spot sales are mostly resale loads. Production of human food, dry whey during April totaled 83.7 million pounds, 1.0% less than April 2004 and 0.4% more than March 2005. Month ending stocks, at 36.6 million pounds, are 2.6% below last year but 5.9% more than a month ago. Production of animal feed, dry whey during April totaled 6.8 million pounds, 7.7% less than a year ago and 17.5% below March 2005.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .2625 - .2800
DELVD SOUTHEAST: .2825 - .3000

DRY WHEY - WEST

Western whey powder prices range from steady to fractionally higher. New export sales are occurring at higher prices as well as additional domestic sales. Buyers talk about the high prices, but continue to place orders. A tender for whey for the Far East is due in late this week. There are differences of opinion about how much will be sourced from the U.S. Production is at seasonally heavy levels. Stocks appear to be balanced to tight. April U.S. production of edible totals 83.7 million pounds, down 1.0% from last year. Western output totals 25.8 million pounds, up 5.6% from April 2004. Total U.S. whey output for the first four months of the year has reached 348.0 million pounds, down 2.2% (7.9 million pounds) from the same period in 2004.

NONHYGROSCOPIC: .2800 - .3050 MOSTLY: .2900 - .3000

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices remain unchanged on a firm market. Spot trade activity is very light. Production is steady on 34% WPC but lighter than last year due to the number of plants that revamped their operations to instead produce higher proteins. Movement is best on the higher protein products that are more readily available, although loads of 34% are currently on hand at some plants. Feed buyers are making concerted efforts to modify formulas to include soy or wheat isolates in an attempt to offer low cost alternative milk replacer product to their customers. Excess supplies of condensed WPC are readily available. Off grade supplies are limited for the good interest. Production of HUMAN FOOD WPC (25.0-89.9% PROTEIN) during April 2005 totaled 26.6 million pounds, 5.7% higher than April 2004 and 1.4% above March 2005. Manufacturers' end-of-month stocks totaled 22.4 million pounds, 5.3% higher than a year ago but 5.0% below last month. Production of ANIMAL FEED WPC (25.0-89.9% PROTEIN) during April 2005 totaled 4.8 million pounds, up 4.0% from April 2004 and 6.7% above March 2005. Manufacturers' end-of-month stocks totaled 2.1 million pounds, 15.6% below last year but 6.5% higher than last month.

F.O.B. EXTRA GRADE 34% PROTEIN: .8650 - .9200 MOSTLY: .8650 - .8950

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged to slightly higher on a steady to firm market. Spot trade activity is light with most movement noted on a contractual basis. Inquiries for the third quarter are increasing in light of recent increases in price. Producers anticipate negotiations commencing within the next 2 weeks. Supplies of dry permeate and lactose are limited due to recent increases in export interest. Lactose or permeate use in the standardization of NDM may also be affecting movement. Off grade supplies are tight for the good feed interest. Lactose production during April 2005 totaled 58.1 million pounds, up 6.9% from April 2004 and 3.9% higher than March 2005. Month ending stocks, at 62.9 million pounds, are 9.7% higher than a year ago but 2.8% below last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1750 - .2100 MOSTLY: .1800 - .1950

CASEIN - NATIONAL

Casein markets and prices remain firm. Stocks of available casein to domestic buyers remain in close balance and for the most part, are short of full needs. Oceania suppliers indicate that they are reaching to multi-origin sources to fully acknowledge their commitments, while European suppliers are realizing better supplies than anticipated. Production in Europe is seasonally active and producers are indicating that additional milk supplies are being directed toward casein production this year. Although European stocks are in somewhat better supply, domestic buyers question the supply outlook situation for the future. Some domestic buyers, having to deal with shortages and firm prices, have and continue to consider product reformulation with other proteins. Buyers indicate that it may be difficult to revert back to casein components in their product mix as long as the replacement provides end product satisfaction.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

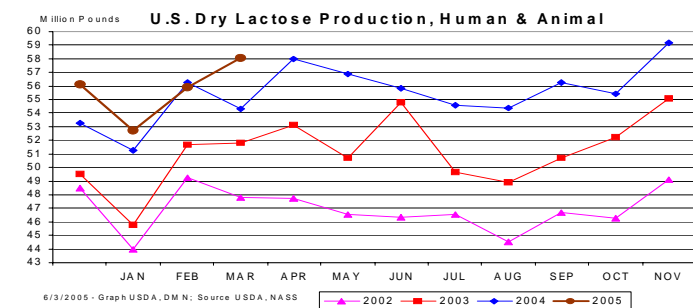
RENNET: 3.2700 - 3.4500
ACID: 3.2700 - 3.4000

EVAPORATED MILK - NATIONAL

Prices are steady and the market tone is unchanged. The news this week is that one producer is withdrawing from the retail side of the market at the end of the month. They will close a plant and move production to another facility and concentrate on food service accounts. How this impacts the market for other producers is uncertain. Production levels continue to be heavy as surplus milk supplies remain excessive. Demand for canned evaporated milk is seasonally slow. Canned evaporated milk production during April totaled 47.2 million pounds, 19.2% more than April 2004 but 4.2% less than March 2005. Month ending stocks, at 54.4 million pounds, are 7.3% above a year ago and 24.2% more than last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.



CHICAGO MERCANTILE EXCHANGE FUTURESSelected settling prices, (open interest), and volume 1/

Month	05/25	05/26	05/27	05/30	05/31	06/01	06/02	06/03	06/06	06/07
CME - (CLASS III) MILK FUTURES -- Dollars per cwt										
MAY 05	13.70 (2887) 23	13.71 (2887) 17	13.73 (2960) 104	NO TRADING	13.74 (2960) 0	13.74 (2960) 1	13.75 (2908) 0	13.77		
JUN 05	13.65 (3252) 63	13.73 (3205) 265	13.76 (3215) 221		13.65 (3227) 157	13.83 (3122) 200	13.83 (3131) 50	13.88 (3121) 46	13.95 (3078) 59	13.95 (3159) 120
JUL 05	13.87 (2732) 122	13.92 (2835) 181	14.08 (2901) 163		14.02 (2909) 189	14.24 (2956) 267	14.19 (2981) 101	14.30 (3007) 193	14.40 (3063) 176	14.23 (3082) 244
AUG 05	14.15 (2704) 78	14.24 (2730) 221	14.38 (2782) 132		14.35 (2795) 164	14.56 (2742) 174	14.48 (2738) 51	14.63 (2762) 189	14.75 (2789) 91	14.58 (2787) 115
SEP 05	14.25 (2549) 44	14.33 (2554) 72	14.45 (2588) 102		14.45 (2626) 140	14.65 (2639) 85	14.63 (2651) 33	14.73 (2715) 88	14.83 (2745) 125	14.68 (2766) 200
OCT 05	13.71 (1883) 15	13.71 (1909) 27	13.80 (1917) 11		13.82 (1919) 35	13.88 (1957) 44	13.91 (1958) 26	13.93 (1974) 48	13.93 (1991) 28	13.86 (2019) 47
NOV 05	13.37 (1543) 16	13.38 (1558) 16	13.45 (1566) 18		13.47 (1568) 20	13.55 (1580) 19	13.57 (1583) 5	13.55 (1586) 17	13.60 (1588) 5	13.56 (1608) 62
DEC 05	13.09 (1386) 10	13.10 (1400) 28	13.15 (1425) 30		13.18 (1429) 10	13.20 (1431) 10	13.20 (1430) 2	13.23 (1431) 5	13.26 (1447) 41	13.21 (1452) 18
JAN 06	12.90 (602) 2	12.89 (604) 6	12.95 (617) 18		12.91 (618) 1	12.95 (619) 1	12.95 (629) 11	12.96 (640) 33	13.05 (659) 25	12.95 (664) 13
FEB 06	12.73 (496) 1	12.70 (497) 2	12.73 (497) 6		12.70 (508) 14	12.75 (509) 1	12.74 (518) 13	12.73 (517) 55	12.90 (528) 11	12.90 (530) 11
MAR 06	12.73 (490) 1	12.70 (491) 2	12.73 (494) 18		12.67 (494) 13	12.75 (495) 1	12.75 (502) 9	12.78 (504) 2	12.83 (510) 6	12.83 (510) 8
APR 06	12.74 (417) 0	12.74 (417) 0	12.74 (423) 12		12.70 (433) 13	12.74 (437) 4	12.74 (439) 6	12.77 (440) 1	12.77 (443) 3	12.85 (443) 9
MAY 06	12.90 (455) 4	12.93 (455) 0	12.93 (459) 7		12.78 (459) 2	12.93 (459) 0	12.93 (458) 2	12.91 (458) 1	12.91 (459) 1	12.90 (466) 9
JUN 06	12.95 (375) 4	13.00 (379) 8	13.00 (378) 6		12.95 (380) 2	12.98 (380) 0	12.98 (381) 3	12.98 (382) 1	12.98 (382) 0	12.98 (382) 9
JUL 06	13.00 (257) 3	13.00 (258) 1	13.00 (262) 4		13.00 (261) 5	13.06 (261) 0	13.06 (261) 1	13.06 (262) 1	13.06 (262) 0	13.06 (263) 8
AUG 06	13.15 (251) 0	13.15 (251) 0	13.15 (251) 0		13.15 (252) 3	13.15 (252) 1	13.15 (250) 2	13.15 (250) 1	13.15 (250) 0	13.15 (256) 7
SEP 06	13.40 (220) 0	13.40 (220) 0	13.40 (223) 3		13.49 (225) 2	13.49 (225) 0	13.49 (225) 0	13.49 (226) 1	13.49 (226) 0	13.49 (226) 8
OCT 06	12.97 (235) 1	12.97 (240) 5	12.97 (241) 1		12.97 (241) 2	12.97 (241) 0	12.97 (241) 0	12.97 (241) 1	12.97 (241) 0	12.97 (247) 7
NOV 06	12.75 (210) 0	12.75 (210) 1	12.75 (211) 1		12.75 (216) 7	12.80 (216) 0	12.80 (216) 0	12.80 (216) 1	12.80 (216) 0	12.80 (221) 8
DEC 06	12.75 (215) 0	12.75 (215) 1	12.75 (216) 1		12.75 (217) 3	12.80 (217) 0	12.80 (217) 0	12.80 (217) 1	12.80 (217) 0	12.80 (226) 12
CME - (CLASS IV) MILK FUTURES - Dollars per cwt.										
JUL 05	12.75 (22) 0	12.74 (22) 0	12.74 (22) 0	NO TRADING	12.74 (22) 0	12.74 (22) 0	12.74 (22) 0	12.74 (22) 0	12.74 (22) 0	12.74 (22) 0
AUG 05	13.20 (22) 0	13.20 (22) 0	13.20 (22) 0		13.20 (22) 0	13.20 (22) 0	13.20 (22) 0	13.20 (22) 0	13.20 (22) 0	13.20 (22) 0
SEP 05	13.20 (22) 0	13.15 (22) 0	13.15 (22) 0		13.15 (22) 0	13.15 (22) 0	13.15 (22) 0	13.15 (22) 0	13.15 (22) 0	13.15 (22) 0
NOV 05	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0		13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0
CME - BUTTER FUTURES -- Cents per pound										
MAY 05	146.98 (9) 0	146.98		NO TRADING						
JUL 05	143.50 (476) 1	143.00 (477) 5	142.00 (475) 10		143.00 (475) 9	143.00 (472) 8	143.00 (460) 29	144.75 (453) 19	144.25 (453) 5	144.25 (450) 18
SEP 05	146.25 (449) 6	145.75 (457) 14	144.50 (461) 8		145.25 (461) 2	145.50 (464) 9	146.00 (461) 9	148.00 (465) 8	147.00 (467) 6	146.50 (466) 9
OCT 05	148.00 (245) 2	146.00 (252) 11	145.25 (258) 6		146.00 (258) 3	146.00 (261) 4	146.50 (263) 29	148.25 (261) 2	148.00 (260) 3	148.00 (260) 0
DEC 05	147.50 (45) 0	147.50 (46) 1	147.00 (51) 5		147.25 (51) 0	147.25 (51) 0	147.25 (51) 2	148.00 (61) 18	148.00 (60) 2	148.00 (59) 4
MAR 06	150.00 (2) 0	150.00 (2) 0	150.00 (2) 0		150.00 (2) 0	150.00 (2) 0	150.00 (2) 0	150.00 (9) 7	149.00 (9) 0	149.00 (9) 0
MAY 06	150.00 (2) 0	150.00 (2) 0	150.00 (2) 0		150.00 (2) 0	150.00 (2) 0	150.00 (2) 0	150.00 (2) 0	150.00 (2) 0	150.00 (2) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered May 30 - June 10, 2005

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

WESTERN EUROPEAN OVERVIEW: More European milk producers are indicating that the seasonal peak is past and volumes are declining. Up to this point, milk output patterns have been quite positive. Although not officially released, milk handlers feel that cumulative milk production, through May, will be running about 1% ahead of last year at this time. Weather conditions have been favorable during the spring. Temperatures have been cool with moisture volumes varying from in relatively good balance to limited. Internal trading activity is about steady with previous years, but international trade is slow and unaggressive. Firm prices, limited refunds for sales activity through the end of June, and the unknown for post June transactions are limiting sales negotiations. European traders indicate that some trading activity is occurring for those that possess refunds which are valid through the end of the month. With milk volumes at seasonal high levels, when possible, milk continues to be diverted away from milk powders and toward cheese and casein production. Clearances of skim milk powder to intervention continue, but remain about one half last year levels and significantly lighter than two years ago. Butter also continues to clear to intervention with current year offerings slightly surpassing last year, but trailing 2003 levels. The EU Dairy Management Committee will not be meeting this week, thus updated totals will not be available until after their June 16th meeting. The recent subsidy cut for milk powders is having little impact on limited sales negotiations. The weak, fluctuating, Euro against the U.S. dollar continues to be another factor that traders and buyers are dealing with.

BUTTER/BUTTEROIL: European butter markets are somewhat unsettled as prices are unchanged to lower. Some clearances to interventions continue, although they have slowed, PSA offerings have increased. Milk production is seasonally strong, although milk is being diverted away from butter/powder production when possible. Stocks of butter are available for internal and international needs. International buyer interest is reported to be slow.

82% BUTTERFAT: 1,850 - 2,000
99% BUTTERFAT: 2,350 - 2,550

SKIM MILK POWDER (SMP): European skim milk powder markets are firm with prices unchanged to higher. The recent subsidy cut is having minimal impact on prices, although producers and handlers anticipate prices to firm in coming weeks. Traders and handlers report limited sales activity unless they still have unused refunds that are valid through the end of the month. Milk production is seasonally strong, although powder production is not as heavy as in years past. Minimal amounts of powder are clearing to intervention. Recent intervention offering figures indicate that current year offerings are running about one half of last and about 10% of 2003 volumes.

1.25% BUTTERFAT: 2,300 - 2,400

WHOLE MILK POWDER (WMP): Whole milk powder markets are firm with prices unchanged to slightly higher. The recent subsidy reduction is having minimal impact on current prices, although traders and handlers feel that prices will remain firm for the future. Stocks of powder are available, although volumes are not at levels of previous years at this time. When possible, milk is being diverted away from milk powder production. International buying interest is light and unaggressive with most sales activity centered around internal or domestic needs.

26% BUTTERFAT: 2,250 - 2,350

SWEET WHEY POWDER: European whey markets remain firm at unchanged prices. Stocks of whey powder are readily available as cheese production is seasonally strong. European traders and handlers report that buyer interest continues to center around an internal animal feed market with international buyers still hesitant due to higher than desired asking prices. Traders and handlers feel that the whey prices and market conditions will remain firm for much of the summer.

NONHYGROSCOPIC: 650 - 800

EASTERN EUROPEAN OVERVIEW: Milk production in Eastern Europe is basically at peak levels in most countries. Weather patterns have not been as favorable as they have been in Western countries as hotter temperatures and dryer conditions are being reported. Volumes of milk are comparable with last season, although if hot/dry conditions prevail, peak volumes might drop quickly. Manufacturing schedules are seasonally active, thus more product is clearing to warehouses versus end users. Some Western European traders and handlers continue to question supply availability for later this summer. Sales activity is reported as slow. No significant sales have been reported from this region of Europe. Traders and handlers are optimistic that within the next month or so, sales will resume.

OCEANIA

OCEANIA OVERVIEW: Milk production in Oceania is basically at seasonal low levels. The winter season is now at hand and other than minimal year round producers for drinking milk needs, milk output has ceased for the next few months. Many producers and handlers in both New Zealand and Australia are concerned about what the new milk production season will bring. Conditions in both countries during the recent year were not positive for one reason or another. New Zealand did not have a good start to the season due to excess moisture, while Australian producers continued to slowly recover from recent drought years. As the season in Australia comes to an end, lack of moisture continues to be a concerning factor. Continued limited moisture in Australia and temperatures that are warmer than usual for this time of the year are adding additional outlook pressures. Official annual milk production reports have not been finalized, but handlers and producers continue to feel that output will be 3 - 4% lower in New Zealand and even to 1% lower in Australia. Manufacturing facilities in both countries have now ceased production schedules or are in the final days of shutdown. Stocks of manufactured dairy products have been limited all year long in Oceania and now that new product production has ceased, handlers and traders are working from inventoried stocks. In many instances, these stocks are much lighter than desired thus they will be looking to multi-origin sources and early output during the upcoming new production season to fulfill current commitments. For the most part, product prices are unchanged, although handlers and traders are closely monitoring the impact recent subsidy cuts in Europe might have on milk powder prices for international needs.

BUTTER: Butter markets are little changed supply wise, although prices at the top end of the reported range did decline. The milk production season has come to a close in Oceania, thus future orders will be filled from inventoried stock. Traders and handlers indicate that stocks are lighter than desired and there is basically no surplus butter available for spot or additional buyer interest. Some state that they will need to look at multi-origin sources to meet contractual commitments. Some are also looking at new production in August/September to fully acknowledge needs.

82% BUTTERFAT: 1,900 - 2,200

CHEDDAR CHEESE: Cheese markets remain firm with prices basically unchanged. Overall volumes of cheese are probably in the best supply/demand balance versus other manufactured dairy products. Traders continue to negotiate future contracts with regular and ongoing customers. At this point, traders indicate that these negotiations are not generating any significant changes to past needs.

39% MAXIMUM MOISTURE: 2,650 - 3,000

SKIM MILK POWDER (SMP): Oceania skim milk powder markets are steady to firm with prices unchanged to slightly higher. Traders and handlers indicate that they are closely monitoring what impact the recent export subsidy reductions in Europe may have on pricing. The Oceania supply situation is little changed from recent weeks. Future orders will be filled from inventoried stocks, although overall supplies are quite limited and some traders and handlers are reaching to multi-origin sources for supplemental volumes to fully acknowledge existing commitments.

1.25% BUTTERFAT: 2,100 - 2,300

WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady at unchanged prices. The milk production season in the region is nearing seasonal low levels, thus new powder generation is very limited. Future orders will need to be filled from inventoried stock which is often lighter than desired. Most handlers and traders indicate that warehouses will basically be cleaned out once the new milk production season resumes in August, thus no additional volumes of powder will be available for spot needs.

26% BUTTERFAT: 2,150 - 2,300

Exchange rates for selected foreign currencies: June 6, 2005

.8035 Canadian Dollar	.0229 Indian Rupee
.3456 Argentina Peso	.7090 New Zealand Dollar
.0919 Mexican Peso	.7651 Australian Dollar
.3003 Polish Zloty	.0094 Japanese Yen
	1.2266 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0919)= 10.8814
That is 1 US Dollar equals 10.8814 Mexican Pesos.

Source: "Wall Street Journal"

APRIL 2005 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 115.5 million pounds in April, 15.1 percent above April 2004 but 5.5 percent below March 2005. **AMERICAN TYPE CHEESE** production totaled 331.4 million pounds, 1.9 percent above April 2004 but 0.1 percent below March 2005. **TOTAL CHEESE** output (excluding cottage cheese) was 763.9 million pounds, 0.4 percent above April 2004 but 4.4 percent below March 2005. **NONFAT DRY MILK** production, for human food, totaled 108.8 million pounds, 18.8 percent below April 2004 and 0.2 percent below March 2005. **DRY WHEY** production, for human food, was 83.7 million pounds, 1.0 percent below April 2004 but 0.4 percent above March 2005. **ICE CREAM** (hard) production totaled 77.7 million gallons, 1.1 percent above April 2004 but 0.7 percent below March 2005.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	APR 2005	PERCENT CHANGE FROM:			PRODUCT	APR 2005	PERCENT CHANGE FROM:		
	1,000 LBS.	APR 2004	MAR 2005	YEAR TO DATE 1/		1,000 LBS.	APR 2004	MAR 2005	YEAR TO DATE 1/
BUTTER	115,467	15.1	-5.5	9.4	SOUR CREAM	73,497	-1.6	-15.7	2.4
CHEESE					YOGURT (PLAIN AND FLAVORED)	251,960	11.2	-5.0	---
AMERICAN TYPES 2/	331,352	1.9	-0.1	1.1	CONDENSED WHEY, SOLIDS CONTENT 6/				
CHEDDAR	265,756	0.6	-1.0	1.2	SWEET-TYPE, HUMAN FOOD	6,520	-9.4	-0.7	---
SWISS	23,488	-3.8	-2.5	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	5,862	-13.9	-7.2	---	DRY WHEY, HUMAN FOOD	83,651	-1.0	0.4	---
CREAM & NEUFCHATEL	47,349	-20.8	-20.7	---	DRY WHEY, ANIMAL FEED	6,759	-7.7	-17.5	---
HISPANIC	14,094	16.2	-4.2	---	DRY WHEY, TOTAL	90,410	-1.5	-1.2	-2.2
MOZZARELLA	248,761	-0.8	-7.7	0.4	REDUCED LACTOSE AND MINERALS				
OTHER ITALIAN TYPES	65,614	10.5	-7.6	5.8	HUMAN FOOD	3,661	-15.9	1.5	---
TOTAL ITALIAN TYPES	314,375	1.4	-7.7	1.5	ANIMAL FEED	4,913	37.1	13.0	---
ALL OTHER TYPES	27,388	20.5	22.1	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	58,062	6.9	3.9	---
TOTAL	763,908	0.4	-4.4	1.2	WHEY PROTEIN CONCENTRATE				
COTTAGE CHEESE, CURD 3/	38,540	2.2	-5.9	---	HUMAN FOOD 7/	26,629	5.7	1.4	---
COTTAGE CHEESE, CREAM 4/	30,187	-3.0	-7.2	-6.8	ANIMAL FEED 7/	4,782	4.0	6.7	---
COTTAGE CHEESE, LOWFAT 5/	31,878	-0.9	-4.1	-4.8					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
WHOLE MILK	47,223	19.2	-4.2	---	ICE CREAM (HARD)	77,691	1.1	-0.7	0.1
DRY WHOLE MILK	3,887	-26.2	47.2	---	ICE CREAM, LOWFAT (HARD)	10,347	-6.7	1.9	---
NONFAT DRY MILK, HUMAN FOOD	108,789	-18.8	-0.2	-18.3	ICE CREAM, LOWFAT (SOFT)	25,727	-10.0	-2.6	---
DRY SKIM MILK, ANIMAL FEED	319	-27.2	-19.2	---	ICE CREAM, LOWFAT (TOTAL)	36,074	-9.1	-1.4	-3.4
DRY BUTTERMILK	5,403	4.8	-6.6	---	SHERBET (HARD)	4,911	5.3	-0.1	4.5
					YOGURT (TOTAL)	5,353	-16.0	-10.9	-13.4

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	APR 2005	PERCENT OF:		PRODUCT	APR 2005	PERCENT OF:	
	1,000 LBS.	APR 2004	MAR 2005		1,000 LBS.	APR 2004	MAR 2005
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	36,596	-2.6	5.9	HUMAN FOOD	22,350	5.3	-5.0
DRY WHEY, ANIMAL FEED	3,178	-28.0	-30.4	ANIMAL FEED	2,111	-15.6	6.5
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 9/	4,194	-43.8	-2.7	CANNED EVAPORATED & CONDENSED WHOLE MILK	54,438	7.3	24.2
LACTOSE, HUMAN FOOD & ANIMAL FEED	62,859	9.7	-2.8	NONFAT DRY MILK FOR HUMAN FOOD	108,115	3.7	28.6
DRY BUTTERMILK, TOTAL	8,849	102.1	58.8				

1/ 2005 cumulative as percent change of 2004 cumulative. 2/ Includes Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. Does not include sweet-type, animal whey. 7/ Whey Protein Concentrate, 25.0 to 89.9 percent. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

SOURCE: "Dairy Products," Da 2-6 (6-05), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, MAY

Component Price Information: Under the Federal milk order pricing system, the butterfat price for May 2005 is 1.5475 per pound. Thus, the Class II butterfat price is \$1.5545. The protein and other solids prices for May are \$2.5965 and \$0.1043 per pound, respectively. These component prices set the Class III skim milk price at \$8.66 per cwt. The May Class IV skim milk price is \$7.03 which is derived from the nonfat solids price of \$0.7810 per pound. **Product Price Averages:** The product price averages for May are; butter \$1.4046, nonfat dry milk \$0.9289, cheese \$1.4765, and dry whey \$0.2603.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	MAY 2005				JUNE 2005
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	18.05	12.78	13.77	12.20	16.87
Appalachian (Charlotte) 5/	005	17.90	12.78	13.77	12.20	16.72
Southeast (Atlanta) 6/	007	17.90	12.78	13.77	12.20	16.72
Florida (Tampa) 7/	006	18.80	12.78	13.77	12.20	17.62
Mideast (Cleveland) 8/	033	16.80	12.78	13.77	12.20	15.62
Upper Midwest (Chicago) 9/	030	16.60	12.78	13.77	12.20	15.42
Central (Kansas City) 10/	032	16.80	12.78	13.77	12.20	15.62
Southwest (Dallas) 11/	126	17.80	12.78	13.77	12.20	16.62
Arizona-Las Vegas (Phoenix) 12/	131	17.15	12.78	13.77	12.20	15.97
Pacific Northwest (Seattle) 13/	124	16.70	12.78	13.77	12.20	15.52
All-Market Average	---	17.45	12.78	13.77	12.20	16.27

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are the major city in the principal pricing point of the market.

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I prices at other cities are: Portland, same; and Spokane, same.

APRIL FLUID MILK SALES

During April, about 4.5 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 0.1 percent higher than April 2004. After adjusting for calendar composition, sales in April 2005 were 0.1 percent lower than April 2004. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from April 2004, while sales of whole milk, flavored whole milk, and buttermilk decreased from a year earlier. It is likely that the timing of the Easter holiday this year has had a positive impact on the change in sales from April 2005 compared to April 2004.

Editor's Note: Additional data can be found at <http://www.ams.usda.gov/dyfmoms/mib/in-areasales.htm>

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,
APRIL 2005, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	April	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk	1,405	5,699	-5.1	-5.7
Flavored Whole Milk	63	250	-10.2	-18.9
Reduced Fat Milk (2%)	1,450	5,831	0.5	-1.1
Low Fat Milk (1%)	534	2,140	4.4	1.8
Fat-Free Milk (Skim)	672	2,672	4.7	2.1
Flavored Fat-Reduced Milk	349	1,375	9.1	5.1
Buttermilk	41	172	-8.0	-5.4
Total Fluid Milk Products 3/	4,530	18,193	0.1	-1.7
Total Fluid Milk Products Adjusted 3/ 4/	4,469	18,182	-0.1	-0.7

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see 4/. 3/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 4/ Sales volumes and percent changes have been adjusted for calendar composition; see http://www.ams.usda.gov/dyfmoms/mib/clndr_comp_rpt.pdf

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS
AND CALIFORNIA, APRIL 2005, WITH COMPARISONS 1/

Area (Order Number)	Sales		Change from: 2/	
	April	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	787	3,165	0.1	-1.8
Appalachian (005)	288	1,154	0.1	-2.3
Southeast (007)	404	1,620	1.7	1.0
Florida (006)	253	1,023	2.2	1.4
Mideast (033)	527	2,095	1.6	-2.0
Upper Midwest (030)	371	1,478	1.4	0.6
Central (032)	389	1,549	0.1	-1.9
Southwest (126)	354	1,412	0.2	-1.0
Arizona-Las Vegas (131) 3/	106	422	1.2	0.2
Pacific Northwest (124)	176	709	-1.8	-1.5
California (---)	512	2,111	-3.1	-1.4

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 3/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis; see 4/ above.

3/ The in-area sales data for this order does not include all the sales in the marketing area due to the reporting exemption of fluid milk processors located in Clark County, Nevada.

SOURCE: Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

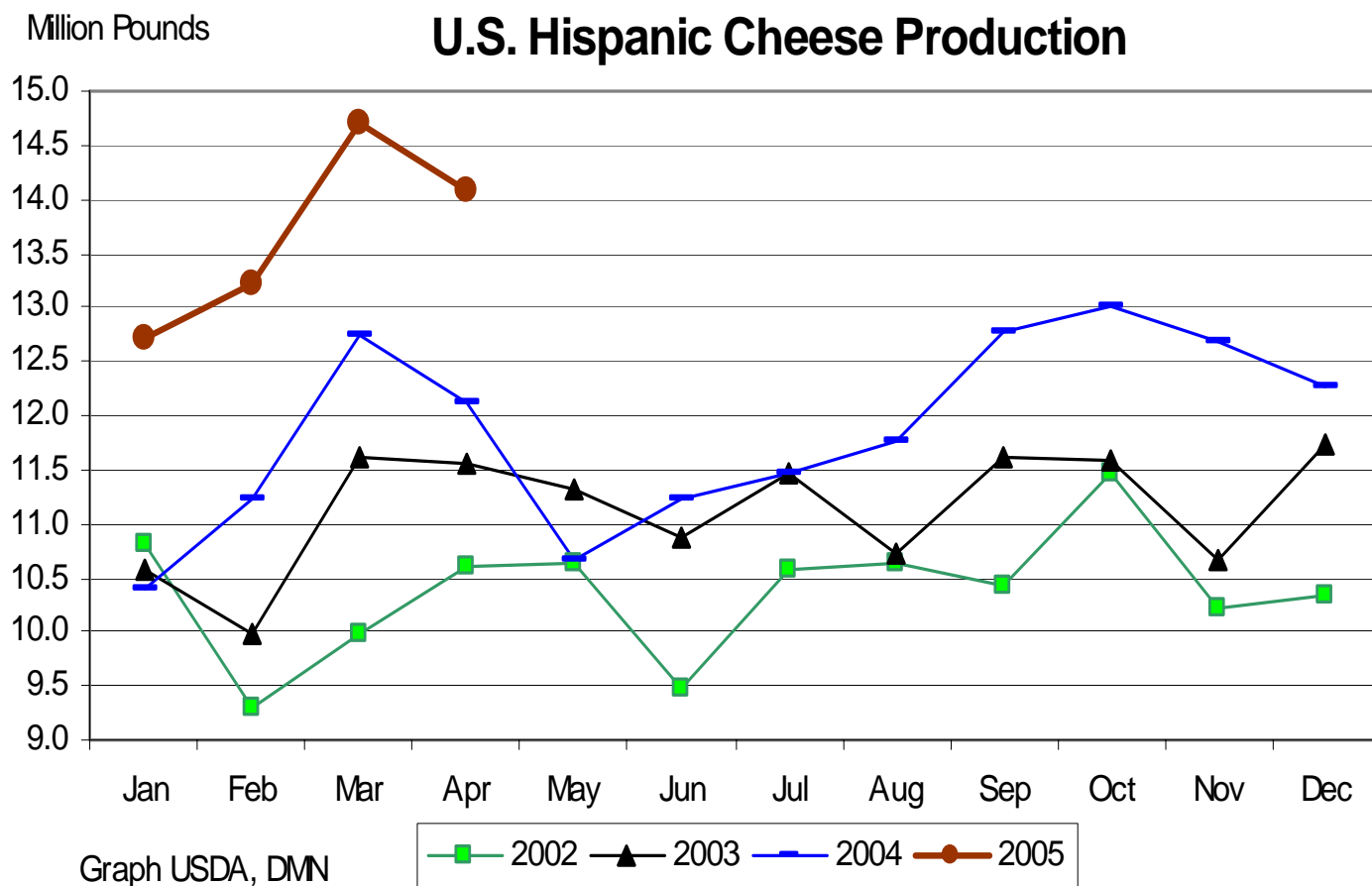
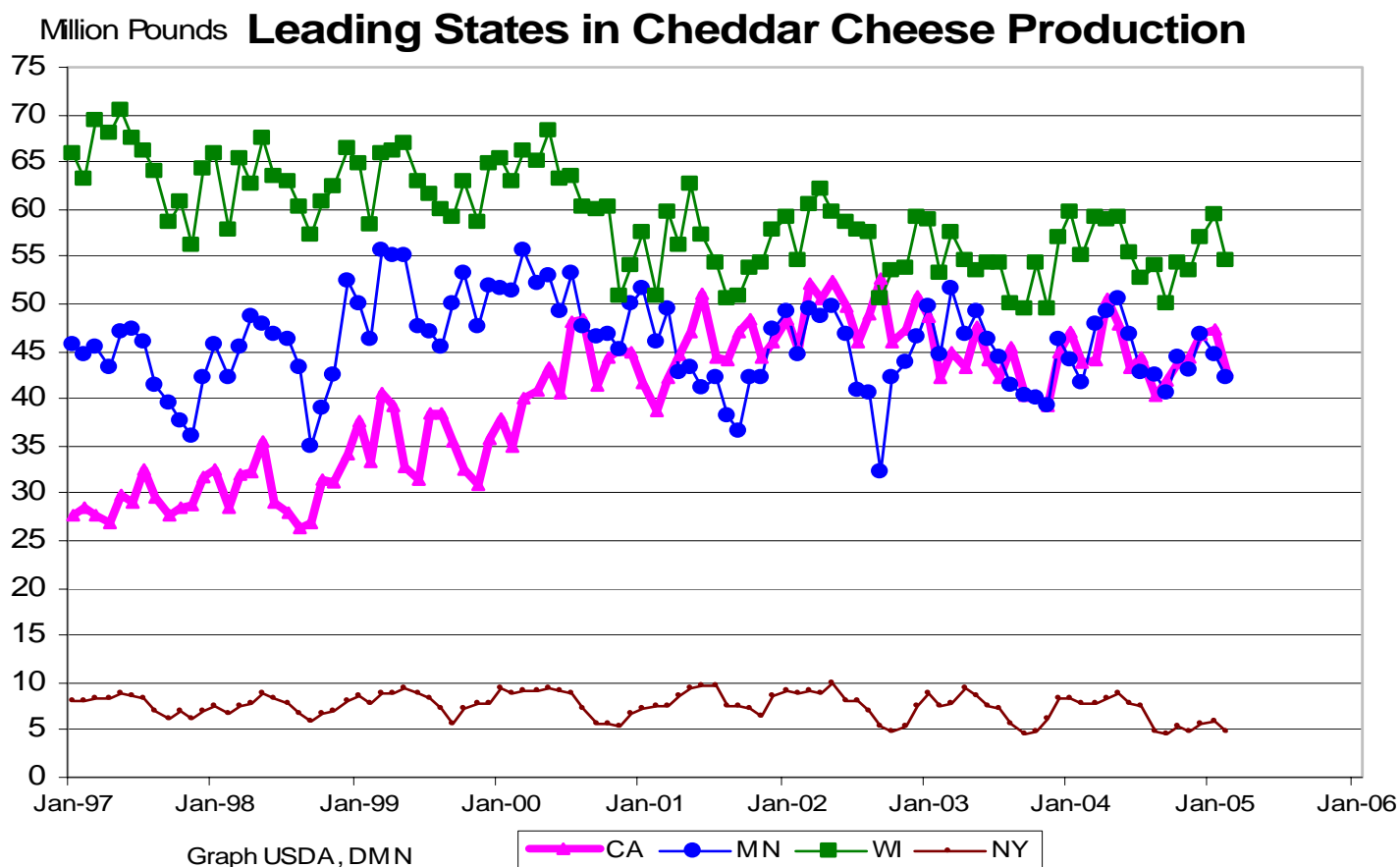
MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, MARCH 2005

In March 2005, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$15.46 per cwt., \$.22 more than the figure for the previous month. The component tests of producer milk in March 2005 were: butterfat, 3.70%; protein, 3.04%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased in all reporting areas except three, and ranged from \$17.69 in Florida to \$13.61 in New Mexico. In March 2004, the Federal milk order all-area average mailbox price was \$15.33, \$.13 lower.

Reporting Area	Mailbox Milk Price <u>2/</u>		
	March 2004	February 2005	March 2005
	Dollars per hundredweight		
Northeast Federal Milk Order	15.57	15.50	16.01
Appalachian States <u>3/</u>	15.06	15.18	15.97
Southeast States <u>4/</u>	15.28	15.61	16.37
Southern Missouri <u>5/</u>	14.55	14.75	15.44
Florida	16.82	16.87	17.69
Ohio	15.38	15.41	15.60
Indiana	15.28	15.27	15.69
Michigan	14.85	15.13	15.13
Wisconsin	16.13	15.91	15.77
Minnesota	16.22	15.61	15.46
Iowa	15.55	15.39	15.41
Illinois	15.58	15.42	15.52
Corn Belt States <u>6/</u>	14.31	14.37	14.42
Western Texas <u>7/</u>	14.51	14.42	14.44
New Mexico	13.46	13.65	13.61
Northwest States <u>8/</u>	14.34	13.97	14.39
All Federal Order Areas <u>9/</u>	15.33	15.24	15.46
California <u>10/</u>	14.65	14.86	NA

NA=Not Available.

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. As applicable, includes milk not-pooled due to disadvantageous intra-order price relationships. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the \$0.05 per cwt. assessment under the Cooperatives Working Together (CWT) program. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. Figure for the previous year has been revised to exclude prices for Idaho and Utah which no longer are being reported. 10/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."



CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF JUNE 6 - 10, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/04	SAME PERIOD LAST YEAR	WEEK ENDING 06/02/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-42,309	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	31,817,269	295,295,775	-0-	679,541,000
Fortified	-0-	-0-	-0-	-0-	-119,048	-0-	46,391,000
Instant	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	31,817,269	295,176,727	-0-	725,932,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JUNE 6 - 10, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	1.8	97.3
CUMULATIVE SINCE OCTOBER 1, 2004 =	7.0	370.4	CUMULATIVE SAME PERIOD LAST YEAR =	64.0	3,435.9
CUMULATIVE JANUARY 1 - JUNE 10, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	38.5	2,086.6

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JUNE 6 - 10, 2005 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/04 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	2004/05	2003/04
CENTRAL	-0-	-0-	-0-	-0-	1,331,567	7,646,276	4.2	2.6
WEST	-0-	-42,309	-0-	-0-	29,415,099	283,246,677	92.4	95.9
EAST	-0-	-0-	-0-	-0-	1,070,603	4,283,774	3.4	1.5
TOTAL	-0-	-42,309	-0-	-0-	31,817,269	295,176,727	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 05/21/05 & Comparable Week 2004

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2005-Dairy	N.A.	0.7	N.A.	2.1	13.2	2.3	0.9	N.A.	11.2	2.2	39.0	42.7
2004-Dairy	0.1	0.6	N.A.	1.8	17.3	1.7	0.6	N.A.	9.7	1.9	40.9	48.4
2005-All cows	0.1	0.7	N.A.	11.4	24.7	16.1	11.0	N.A.	13.0	4.7	91.3	41.9
2004-All cows	0.1	0.7	N.A.	9.6	28.5	13.8	14.9	N.A.	12.7	6.1	97.5	47.4
											2,047.0	

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80	13.62						
II	13.04	13.36	13.25	13.24	12.78							
III	14.14	14.70	14.08	14.61	13.77							
IV	12.52	12.74	12.66	12.61	12.20							

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfm05/mib/cls_prod_cmp_pr.htm